

MEMORANDUM

DATE: October 1, 2013
TO: MPRC Faculty Associates and Department Chairs
FROM: Michael S. Rendall, Director, Maryland Population Research Center
SUBJECT: Updated MPRC Policy on Drif/Credit Allocation for Population Research

One of the primary goals of the Maryland Population Research Center (MPRC) is to promote **investigator-initiated research in population science**. Experienced researchers assist junior faculty and first-time proposal writers in developing a research plan. The Center's administrative staff is trained to handle the requisite paper work, budget preparation, and shepherding of the proposal through the various administrative levels so that researchers can devote the bulk of their time to writing the science. The MPRC also provides Seed grants to investigators to help get them started on a successful grant proposal.

When a grant is successful and the project is administered by the Center, investigators can be assured that all project-related business is completed in a timely manner. Post-award management may include payroll set-up for university personnel, preparation of purchase orders, collaborative arrangements with other universities or foreign collaborators, monthly reconciliation and reporting of project expenses, submission of IRB applications and renewals, and timely submission of annual reports to the sponsor. MPRC post-award management relieves the investigator of the administrative burden so that work can be devoted to the science.

With the goal of maintaining these services, last fall MPRC updated their Drif/Credit Policy so that it applied to all population-related research projects that are submitted by MPRC faculty. The policy required that, with each population-related research grant submission, at a minimum, faculty share 2% of the DRIF that is returned to the departments with MPRC, even if the proposal is submitted through and administered by another school/college/department.

I have received adverse feedback on this "2% Tax" from several faculty and chairs. I have brought your concerns to the BSOS Dean, and subsequently to the MPRC Executive Committee. I am happy to announce that MPRC has removed this "2% tax" from research projects that do not access MPRC resources. Use of MPRC resources will require, as before, a fraction of DRIF to be allocated to MPRC. We describe how this fraction is determined on the following pages.

Maryland Population Research Center Policy on CREDIT/DRIF Allocation *Updated October 1, 2013*

The Maryland Population Research Center (MPRC) requires that Faculty Associates who use MPRC research services assign a portion of their population-related research project's CREDIT and DRIF allocation to MPRC as follows:

- 15%** A Research proposal that is prepared and submitted through MPRC's Administrative Office; 85% will be allocated to their home unit(s).
- 25%** A Research award that is prepared, submitted, and administered by MPRC post-award; 75% will be allocated to their home unit(s).

The following assume that MPRC also prepared and submitted the award:

- 35%** A Research award that is administered by MPRC and contains one or more U.S. subcontract agreements; 65% will be allocated to their home unit(s).
- 50%** A Research award that is administered by MPRC and contains one or more foreign subcontract agreements; 50% will be allocated to their home unit(s).

This CREDIT/DRIF allocation **will be designated on the University's proposal routing form** and Faculty, Department Chairs, and College Deans will be asked to sign off on the routing form. The Credit/Drif split is project-specific. Each investigator who is an MPRC Faculty Associate will assign this Credit/Drif split as required by the above percentages. If an investigator has more than one appointment, s/he may divide the department's % between these departments. MPRC staff will assist in preparing the routing form to correctly allocate project Credit/DRIF.

The percentages listed are the percentage of DRIF re-allocation that is returned to departments and to MPRC. The total DRIF is roughly 16% of the overall indirect costs that are generated by research projects expenses.

Please note that MPRC grant support (seed grants, proposal preparation and post award management) is only available to MPRC Faculty Associates.

Examples of a range of proposals and their Credit/DRIF implication follow.

Note that all scenarios assume that project expenses are incurred as anticipated.

Scenario #1: R03 proposal submitted to NIH with a budget of \$50k direct costs per year; 52% indirect cost rate; Proposal prepared & submitted through MPRC; Project to be managed by the PIs home department.

The Routing Form Credit/DRIF allocation is completed as follows:

85% Credit/DRIF assigned to the PIs home department. Using the above assumptions, this project will generate approximately \$26,000 annually in indirect cost (52% of \$50,000); Department DRIF recovery is estimated at 16% of total indirect cost generated (16% of \$26,000 = \$4,160). Department DRIF recovery is estimated at 85% of \$4,160 or \$3,536 per year.

15% Credit/DRIF assigned to MPRC for proposal preparation and submission; using the above assumption, MPRC will receive approximately \$624 (15% of \$4,160) in DRIF per year.

Scenario #2: Proposal submitted to the Gates Foundation; \$500k direct costs per year; 10% indirect cost rate; MPRC prepares, submits, and manages this project post-award.

Routing Form Credit/DRIF allocation is completed as follows:

75% Credit/DRIF assigned to the PIs home department. Using the above assumptions, this project will generate approximately \$50,000 in indirect cost (10% of \$500,000); Department DRIF recovery is estimated at 16% of total indirect cost generated (16% of \$50,000 = \$8,000). Department DRIF recovery is estimated at 75% of \$8,000 or \$6,000 per year.

25% Credit/DRIF assigned to MPRC for proposal preparation, submission and post-award management; MPRC will receive approximately \$2,000 (25% of \$8,000) in DRIF per year.

Scenario #3: R01 proposal submitted to NIH with a budget of \$200k direct costs/year; contains a subcontract agreement with the University of Michigan; 52% indirect cost rate; MPRC prepares, submits, and manages this grant post-award.

Routing Form Credit/DRIF allocation is completed as follows:

65% Credit/DRIF assigned to the PIs home department, Using the above assumptions, this project will generate approximately \$104,000 in indirect cost (52% of \$200,000); Department DRIF recovery is estimated at 16% of total indirect cost generated (16% of \$104,000 = \$16,640). Department DRIF recovery is estimated at 65% of \$16,640 or \$10,816 per year.

35% Credit/DRIF assigned to MPRC for proposal preparation and submission; MPRC will receive approximately \$5,824 (35% of \$16,640) in DRIF per year.

Scenario #4: R21 proposal submitted to NIH with a budget of \$275k direct costs/year; contains 2 subcontract agreements: one in South Africa and one in India; 52% indirect cost rate; MPRC prepares, submits, and manages this project post-award.

Routing Form Credit/DRIF allocation completed is as follows:

50% Credit/DRIF assigned to the PIs home department, Using the above assumptions, this project will generate approximately \$143,000 in indirect cost (52% of \$275,000); Department DRIF recovery is estimated at 16% of total indirect cost generated (16% of \$143,000 = \$22,880). Department DRIF recovery is estimated at 65% of \$22,880 or \$14,872 per year.

50% Credit/DRIF assigned to MPRC for proposal preparation and submission; MPRC will receive approximately \$8,008 (35% of \$22,880) in DRIF per year.